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## FISCAL IMPACT REPORT

**SPONSOR** Morales **ORIGINAL DATE** \_\_\_\_\_ **HB** \_\_\_\_\_  
**LAST UPDATED** \_\_\_\_\_  
**SHORT TITLE** Federal Medicaid Dollars Working Group **SJM** 7  
**ANALYST** Chilton

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	None		

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		Uncertain, likely to Lead to an Expenditure Decrease	Uncertain, likely to Lead to an Expenditure Decrease	Uncertain, likely to Lead to an Expenditure Decrease	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Association of Counties (AOC)

Children Youth and Families Department (CYFD)

#### Responses Not Received From

Department of Health (DOH)

Human Services Department (HSD)

### SUMMARY

#### Synopsis of Memorial

This memorial would ask HSD to convene a working group to include DOH, staff from the Legislative Finance Committee (LFC), representatives from the New Mexico Association of Counties and from the New Mexico Hospital Association, with public input, to discuss means of

maximizing the flow of federal Medicaid dollars to the state.

## **FISCAL IMPLICATIONS**

As the federal share of the Medicaid program in New Mexico is estimated to be \$4.4 billion in Fiscal Year 2017, the impact of increasing that share by even a small percentage would have a major positive effect on the budget.

There is no appropriation associated with this memorial; thus agency participation will have to be added to other assigned tasks.

## **SIGNIFICANT ISSUES**

CYFD notes that “Medicaid expansion has reduced the number of uninsured persons in the state. There has been a drop from 2014 to 2015 in the percent of uncompensated care among the state’s safety net care pool. Federal law contemplated this drop in uncompensated care. The Federal Patient Protection and Affordable Care Act offers multiple incentives and opportunities for states to maximize funding.” CYFD implies that such an effort, carried out in a systematic way, is likely to yield considerable dividends,

CYFD continues: “A 2015 report issued by the Legislative Finance Committee (LFC) identifies potential opportunities for the Human Services Department, the Department of Health, and community health care providers to maximize their leveraging of additional Federal Medicaid funding.” The report, available on the LFC website, is also attached.

The New Mexico Association of Counties (AOC) indicates that “New Mexico counties play an integral role in helping fund and in providing essential health care services to their residents (for example, indigent health care services, DWI programs, the Safety Net Care Pool, and the general Medicaid program).”

## **ADMINISTRATIVE IMPLICATIONS**

LFC is asked to provide logistical support to the working group. AOC states that it is willing to be part of the task force.

LAC/jo/jle